

Legislative Regulation Review Committee

2011-020

Office of State Ethics

**DISCLOSURE & GIFTS TO THE STATE &
Lobbyist Badges**

STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

PROPOSED AMENDMENTS TO AGENCY REGULATIONS

Section 1. Section 1-92-46a of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 1-92-46a. Registrant must disclose persons contributing two thousand dollars or more

When the registrant is an association, group of persons or an organization [formed primarily for lobbying], pursuant to Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, it must disclose, on the registration form prescribed by the Office of State Ethics, the name and address of the principal officers and directors of such association, group of persons or organization. [the name and address of any person contributing two thousand dollars or more to the registrant's lobbying activities in any calendar year.]

For the purposes of this section, the following words and terms shall be construed as follows:

"Principal officers and directors" includes every person who is directly or indirectly the beneficial owner of more than a 5% percent interest in the association, group of persons or organization. It also includes:

- 1) Any officer or director who is responsible for the supervision and management of the daily business operations of the registrant.
- 2) The president; any vice president in charge of a principal business unit, division or function; the secretary; the treasurer; any principal financial officer, comptroller or principal accounting officer; and any other person performing a principal policy-making function, or similar functions, with respect to the registrant.
- 3) Any person directing the registrant, or any person chosen to control, govern, or manage the affairs of the registrant.

When the registrant is formed primarily for the purpose of lobbying, pursuant to Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, it must disclose, on the registration form prescribed by the Office of State Ethics, the name and address of any person contributing two thousand dollars or more to the registrant's lobbying activities in any calendar year. Additional names and addresses must be reported as the threshold is met, either by amending the registration form as necessary, or by reporting the information in the fundamental terms section on the registrant's next financial report.

The word "primarily", for purposes of Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, is construed according to its commonly understood meaning (i.e., chiefly, principally, or in the main.) For example, groups organized around a single issue or piece of legislation (e.g., abortion rights, income tax, Senate Bill No. 3000) would be considered "formed primarily for lobbying." There shall be a presumption, when over half of a registrant's expenses are used for lobbying or in furtherance of lobbying in any six month period, that the registrant is formed primarily for the purposes of lobbying.

Statement of Purpose 1-92-46a:

This proposed amendment mirrors the distinction made in the statutes between entities formed primarily for lobbying and associations, groups of persons or organizations. It also defines the term principal officers and directors as found in the statute. The definitions were obtained from the federal Securities and Exchange Commission. (General Rules and Regulations promulgated under the Securities Act of 1933).

The language in the proposal only extends to client lobbyists—as they may be associations, groups of persons or organizations, whereas communicator lobbyists must always be individuals. The proposal does not, in any way, expand reporting requirements. Rather, it clarifies for those who must list principal officers and directors who those persons are. The client registration forms ask whether an entity is incorporated or not. Incorporated entities are not required to provide the requested information because such information is already on file with the Secretary of State's office.

Section 2. Section 1-81-27 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 1-81-27. Gifts to the state

(a) Nothing in Subsections (j) and (m) of Section 1-84 of the Connecticut General Statutes, which prohibits the acceptance of gifts and nothing in Subsection (c) of Section 1-84 of the Connecticut General Statutes, which prohibits the use of public office or position for personal financial gain shall prohibit [the State] a state agency or quasi-public agency from accepting gifts of goods and services for use on state or quasi-public agency property which support an event and facilitate state action or functions, pursuant to subdivision (5) of subsection (e) of section 1-79 of the Connecticut General Statutes. Nothing in chapter 10 of the Connecticut General Statutes shall prohibit the donation of the use of facilities to facilitate state agency or quasi-public agency action or functions or the donation of real property to a state agency or quasi-public agency.

(b) Nothing in chapter 10 of the Connecticut General Statutes shall prohibit a state agency or quasi-public agency from accepting gifts of goods and services from any person not subject to subsections (j) and (m) of section 1-84 of the Connecticut General Statutes. Such gifts of goods and services may include, but are not limited to, expenses for job-related educational conferences or classes provided that the head of the state or quasi-public agency, in writing:

1. specifically identifies the benefit to be received;
2. specifically identifies the person within the state or quasi-public agency who shall utilize the gift;
3. identifies how the gift facilitates state action or functions, (e.g., that the conference is relevant to the employee's state job).

Statement of Purpose 1-81-27:

This proposed amendment clarifies that gifts to the state from a non-restricted donor are permissible. It also creates a new level of transparency in that the heads of state agencies and quasi-public agencies must write a letter that such gifts are indeed appropriate gifts to the state facilitating state actions or functions. Such letters will be kept at the agencies and need not be submitted to the Office of State Ethics.

Section 3. Section 1-92-52 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 1-92-52. Distinguishing badge

The distinguishing badge to be worn as provided by section 1-101 of the Connecticut General Statutes is a [blue and white] plastic badge, approximately two inches by three inches in size. The colors of the badge will be as prescribed by the Office of State Ethics and may be changed no more than once every two years. It will be issued to an individual lobbyist when he or she registers. Replacement badges may be purchased for \$1.

Statement of Purpose 1-92-52:

This proposed amendment does away with the requirement that lobbyist badges be blue and white and provides more flexibility to the Office of State Ethics which may change the color of lobbyist badges from biennium to biennium. This will avoid any circumvention of the registration requirements of the Code of Ethics for Lobbyists in that lobbyists may not re-use old badges, but rather, must re-register in order to obtain the new lobbyist badge with a new, identifying color.

Be it known that the foregoing:

are: ☒ Regulation(s) ☐ Emergency Regulations
☐ Adopted ☒ Amended as hereinabove stated ☐ Repealed

By the aforesaid agency pursuant to:

☒ Sections 1-81 (g) and 1-92 (a) of the Connecticut General Statutes.

☒ Section 4-168 of the General Statutes.

☐ Public Act No. of the Public Acts.

After publication in the Connecticut Law Journal on March 22, 2011 the notice of the proposal to:

☐ Adopt ☒ Amend ☐ Repeal such regulations

(If applicable): ☐ And the holding of an advertised public hearing on N/A

WHEREFORE, the foregoing regulations are hereby:

☐ Adopted ☐ Amended as hereinabove stated ☐ Repealed

Effective:

☐ When filed with the Secretary of the State.

(OR)

☐ The ____ day of ____ 20 ____.

In Witness Whereof:	Date 4-28-11	SIGNED (Head/Representative of Board, Agency or Commission) Carol Carson	OFFICIAL TITLE, DULY AUTHORIZED EXECUTIVE DIRECTOR
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Approved by the Attorney General as to legal Sufficiency in accordance with Sec. 4-169, as Amended, C.G.S.: 5/10/11	SIGNED Joseph Rubin	OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY. GENERAL
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☐ Approved

☐ Disapproved

☐ Disapproved in part, (Indicate Sections Numbers disapproved only)

☐ Rejected without prejudice.

The Legislative Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes	DATE	SIGNED (Clerk of the Legislative Regulation Review Committee)
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (Secretary of the State)	BY
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INSTRUCTIONS

One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.

Eighteen copies of all regulations for adoption, amendment, or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.

Each regulation must be in the publication form and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.